

STATE OF HAWAII )  
City and County of Honolulu ) SS.

Carrie Asuncion being duly sworn,  
deposes and says that she is a clerk, duly authorized to  
execute this affidavit of MidWeek Printing, Inc., publisher  
of MidWeek and the Honolulu Star-Bulletin, that said  
newspapers are newspapers of general circulation in the  
State of Hawaii, and that the attached notice is true notice  
as follows:

MidWeek times on

Honolulu Star-Bulletin times on  
02/13/2007, 02/20/2007, 02/27/2007, 03/04/2007

And that affiant is not a party to or in any way interested in  
the above entitled matter.

Subscribed to and sworn before me this day

of March A.D. 2007

Notary Public of the First Judicial Circuit  
State of Hawaii

My commission expires October 07, 2010

Ad# 05527489

NOTICE OF PUBLIC HEARING

IN THE MATTER OF THE APPLICATION OF HAWAIIAN ELECTRIC COMPANY,  
INC. FOR APPROVAL OF RATE INCREASES AND REVISED RATE  
SCHEDULES AND RULES

DOCKET NO. 2006-0398

NOTICE IS HEREBY GIVEN that pursuant to chapters 91 and 260, Hawaii Revised  
Statutes ("HRS"), the STATE OF HAWAII, PUBLIC UTILITIES COMMISSION  
("Commission") will hold a public hearing relating to the application of HAWAIIAN  
ELECTRIC COMPANY, INC. ("HECO") filed on December 22, 2006, for approval of  
general rate increases and revised rate schedules and rules. The public hearing will be  
held as follows:

Date: Tuesday, March 6, 2007  
Time: 9:00 a.m.  
Location: Prince David Kamehameha Middle School Cafeteria  
49 Fenchel Street  
Honolulu, HI 96813

HECO is a franchise public utility engaged in the production, purchase, transmission,  
distribution and sale of electricity on the island of Oahu. HECO seeks Commission  
approval of a general rate increase of approximately \$9,550,000, or 1.1%, over  
revenues at current effective rates. Revenues at current effective rates include increases  
from the interim rate increase approved by the Commission in Interim Decision and  
Order No. 22050, filed in HECO's 2005 test year rate case, Docket No. 04-0113. If  
revenues from the interim rate increase are excluded, the requested relief over revenues  
at present rates is estimated to be \$151,505,000. The requested increase is based on  
estimated total revenue requirements of \$1,501,787,000 for the normalized 2007 test  
year (based on August 2006 low oil and purchased energy prices, and on a 9.2% rate  
of return on HECO's average rate base). HECO is also proposing capital new rate  
designs and rules, schedules, including an increasing rate block structure for residential  
customers, optional time-of-use rates, and standby service rates.

HECO states that it filed this request for a general rate increase due primarily to the  
addition of plant and equipment in HECO's system, and increasing costs for labor,  
materials, contract services, depreciation, and other operating expenses. Without  
further rate relief in this proceeding, HECO estimates that its rate of return on its  
average rate base at current effective rates will be 4.35% for the normalized 2007 test  
year, as compared to the 9.15% rate of return that the Commission established in  
Docket No. 7765 for the 1995 test year. In addition, HECO estimates that, if revenues  
from the interim increase in Docket No. 04-0113 are not considered, HECO's rate of  
return on its average rate base will be 1.84% for the normalized test year.

HECO requests that its general rate increase and the increases to its rate schedules  
and rules take effect in two steps:

1. Interim Increase: An interim increase in rates, to which the Commission finds  
HECO is "probably entitled," based on the evidentiary record, pursuant to HRS  
§ 269-10(4); and

2. Final Increase: A general rate increase upon the Commission's issuance of its  
final Decision and Order that provides for the amount of the total requested  
revenue increase that was not included in the interim rate increase.

The proposed rate increases over current effective rates (which include the interim  
rate increase surcharges, currently in effect) by rate classes for the 2007 normalized  
test year, in dollar amounts and by percentages, are as follows:

Rate Class	Revenue Increase (in \$000s)	Percentage Increase
R - Residential	\$30,859.3	7.06%
G - General, Non-Demand	\$2,702.8	7.06%
J - General, Demand	\$26,101.8	7.06%
M - Commercial Cooling, Heating, Air Conditioning and Refrigeration	\$519.8	7.07%
PS - Large Power, Secondary Voltage	\$3,433.7	7.06%
PP - Large Power, Primary Voltage	\$23,184.3	7.06%
PT - Large Power, Transmission Voltage	\$1,840.2	7.06%
P - Public Street Lighting, Highway Lighting, and Park and Playground Lighting	\$503.1	7.06%
Total Sales Revenue	\$98,787.0	7.06%
Other Operating Revenues	\$169.5	19.48%
Total Revenues	\$99,556.0	7.10%

The proposed rate increases over present rates (which include the interim rate  
increase surcharges) by rate classes for the normalized 2007 test year, in dollar  
amounts and by percentages, are as follows:

Rate Class	Revenue Increase (in \$000s)	Percentage Increase
R - Residential	\$47,841.5	11.51%
G - General, Non-Demand	\$4,733.3	11.24%
J - General, Demand	\$39,862.9	11.05%
M - Commercial Cooling, Heating, Air Conditioning and Refrigeration	\$795.0	11.25%
PS - Large Power, Secondary Voltage	\$15,631.6	11.67%
PP - Large Power, Primary Voltage	\$36,394.1	11.53%
PT - Large Power, Transmission Voltage	\$1,040.2	7.06%
P - Public Street Lighting, Highway Lighting, and Park and Playground Lighting	\$477.4	13.04%
Total Sales Revenue	\$150,037.0	11.19%
Other Operating Revenues	\$518.0	20.89%
Total Revenues	\$151,505.0	11.22%

The proposed increases reflect the average proposed increase for each schedule of  
service. The increase experienced by a particular customer will depend on the  
customer's schedule of service, and other factors, such as the customer's energy use  
and the customer's billing demand (where applicable).

The Commission will determine whether the proposed revenue increase, changes in  
rate schedules and rules, and other matters requested or proposed by HECO, are just  
and reasonable. The Commission will hold an evidentiary hearing sometime after the  
expiration of the public hearing unless HECO and the applicant parties to this docket,  
at their option and upon the Commission's approval, waive the evidentiary hearing. The  
total interim increase for the 2007 test year will not exceed the \$151,505,000 over  
revenues at present rates requested in the Application, but the rates and charges to be  
finally approved by the Commission after its investigation may be higher or lower than  
the proposed rates and charges for the various rate schedules of service.

All interested persons are urged to attend the public hearing to state their views,  
orally in writing, or both. Written statements may be submitted prior to or at the public  
hearing. Statements may be mailed to the Public Utilities Commission, 465 South King  
Street, Room 1103, Honolulu, Hawaii, 96813. Statements may also be sent by  
electronic mail to the Commission's e-mail address at [public@pucc.hawaii.gov](mailto:public@pucc.hawaii.gov).

Admission to Intervene or Participate in this proceeding shall comply with Subchapter  
4, Rules of Practice and Procedure before the Public Utilities Commission, Hawaii  
Administrative Rules, Title 6, Chapter 61. A motion to intervene or participate in this  
proceeding shall be filed with the Commission by March 10, 2007.

Copies of the application and supporting documents are available for public inspec-  
tion during regular business hours at the following locations:

PUBLIC UTILITIES COMMISSION: 465 South King Street, #103 Honolulu, HI 96813 Phone: (808) 586-2020	DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS DIVISION OF CONSUMER ADVOCACY 330 Merchant Street, #326 Honolulu, HI 96813 Phone: (808) 548-2800
HAWAIIAN ELECTRIC COMPANY, INC. Customer Service Desk 620 Ward Avenue Honolulu, HI 96814	HAWAIIAN ELECTRIC COMPANY, INC. 500 Richards Street Honolulu, HI 96813 Phone: (808) 541-5570

Special accommodations for persons with disabilities can be made if requested  
reasonably in advance by contacting the Commission's Honolulu office.

150527489 2/13/2007 2/11 2/4/07 /s/ Carlito P. Collares  
Chairman